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SUBJECT: ARGENTINA: ARMY CHIEF BENDINI, A KIRCHNER ALLY,
RESIGNS ON RESURGENT CHARGE OF CORRUPTION; POZZI SELECTED
AS NEW CHIEF

Classified By: Charge de Affaires a.i. Tom Kelly. Reasons 1.4 (b) and (d)

¶1. (C) Summary: Argentina's Cabinet Chief Sergio Massa announced late on September 18 that General Bendini, Army Chief of Staff for the past five years, had resigned. The resignation and its acceptance by the President followed by only hours the decision of a Federal Appeals Court in Comodoro Rivadavia to proceed with charges against Bendini for the improper diversion of funds under his 2002 command of the Eleventh Brigade in Rio Gallegos, Santa Cruz (Nestor Kirchner's home town). Bendini was promoted over more senior generals by then President Nestor Kirchner in 2003 and had enjoyed the backing of the Kirchners despite Defense Minister Garre's apparent lack of confidence in him. President Fernandez de Kirchner moved quickly this time once the indictment emerged. Major General Luis Alberto Pozzi, previously the Vice Chief for the Army, was announced September 19 as the new Army Chief of Staff. End Summary.

¶2. (U) General Roberto Bendini offered his resignation in writing to President Cristina Fernandez de Kirchner on September 18 following an announcement by the Federal Chamber of Comodora Rivadavia over-ruling Investigative Judge Gerardo Caamano's 2007 decision that the charges lacked enough merit to proceed. Bendini was indicted on charges of "peculado," a charge of illegally diverting government monies for personal use. Bendini is said to have operated a "parallel" bank account in which he managed up to 500,000 pesos (over USD 170,000) of official money obligated for the Mechanized Brigade under his command in 2002-2003. The account at a commercial bank was utilized without appropriate oversight and accountability mechanisms, leading the judges constituting the Federal Chamber (equivalent to a three-judge appeals panel/court) to conclude that at a minimum Bendini likely used the funds for purposes for which they were not authorized. "Even when one cannot establish personal enrichment (by Bendini)," said the judges, the law was clear that it was a crime to utilize monies in ways not clearly authorized by the government. Bendini is charged but not detained; the charges carry a maximum sentence of ten years in prison. Minister of Defense Nilda Garre's relations with Bendini have long been strained and distant. She was in Chile at the time of Bendini's firing but was undoubtedly supportive of the president's decision to jettison him. President Kirchner's Chief of Staff Sergio Massa made the announcement in a brief evening press conference.

A Long Deferred Day in Court

¶3. (SBU) Bendini was appointed in 2003 by recently inaugurated President Nestor Kirchner. Kirchner had known the General well from Santa Cruz Province, where Kirchner was governor before winning the Presidency. Bendini had also

positioned himself as a follower of the left wing of the Peronist movement. His appointment over a number of more senior generals forced resignations and created tensions within the military leadership, but Nestor Kirchner's strong and public backing of Bendini left him relatively untouchable during Kirchner's presidency. Despite the relatively successful efforts of Minister of Defense Nilda Garre to exert her authority over the armed forces following her 2006 appointment, she was unable to move against Bendini despite her own apparent low regard for and suspicions of the general. The investigation against Bendini over the misdirection of funds in 2002 began in April 2003, and in 2006 Investigative Judge Caamano attempted to shift the charges to a military court without success. Caamano's 2007 decision that the charges were without merit stalled the investigation for a year before the Appeals Court overruled him on September 18th.

Another Round of Dismissals

¶4. (SBU) Bendini's resignation followed Garre's dismissal the previous day of another thirteen senior officers, including two senior generals, on charges of corruption in cases unrelated to Bendini's, her second mass firing in as many months.

Opposition Pounces

¶5. (C) Opposition Congressman universally supported Bendini's dismissal but charged it came too late - or that he should never have been appointed. Center-right "Pro" party leader

in the Chamber of Deputies, Federico Pinedo, noted that the Bendini case demonstrated the corrosive influence of cronyism, resulting in a system "that makes relationships with Nestor Kirchner more important than institutions." A media commentator, Fernando Gonzales in Clarin, suggested that President Fernandez de Kirchner's swift reaction in (presumably) firing Bendini was a result of the Kirchner's eroded political power, something that had left the President with no margin for error. Well-known political analyst Rosendo Fraga noted Bendini's direct relationship with Nestor Kirchner crony and Planning Minister Julio de Vido, implicitly linking him to the darker side of the Kirchners' finances.

Pozzi Steps Up

¶6. (SBU) The Government on September 19 announced that Army Vice Chief of Staff Lieutenant General Luis Alberto Pozzi will replace Bendini.

¶7. (SBU) Bio Notes: A graduate of the Argentine National Military Academy in 1968, General Pozzi is a Signal Corps officer with an extensive technical background in communications systems and information technology. He served in a variety of Signal Corps-related assignments at the tactical, operational and strategic levels. Pozzi is a graduate of the Argentine Military Technical School with a special concentration in electronics, and he obtained a graduate-level degree in Aerospace Technology (with a specialty in satellites) from the National Technology University. He also served as a professor of communications systems at the Military Technical School. Pozzi is married to Liliana Comejo and has three children.

Comment: Turmoil and Reform

¶8. (C) Bendini's dismissal may be welcome news to senior army officers given his already extended stay on the job. The broader trend of firings among top generals on grounds of corruption or irregularities, however, has created some turmoil as positions shift and officers wonder who might be

next. Without arriving at conclusions about the strength of the charges against the officers advanced in August and September, however, it does appear that Garre is taking seriously her charge to clean up and regularize military finance, all to the good.

KELLY